

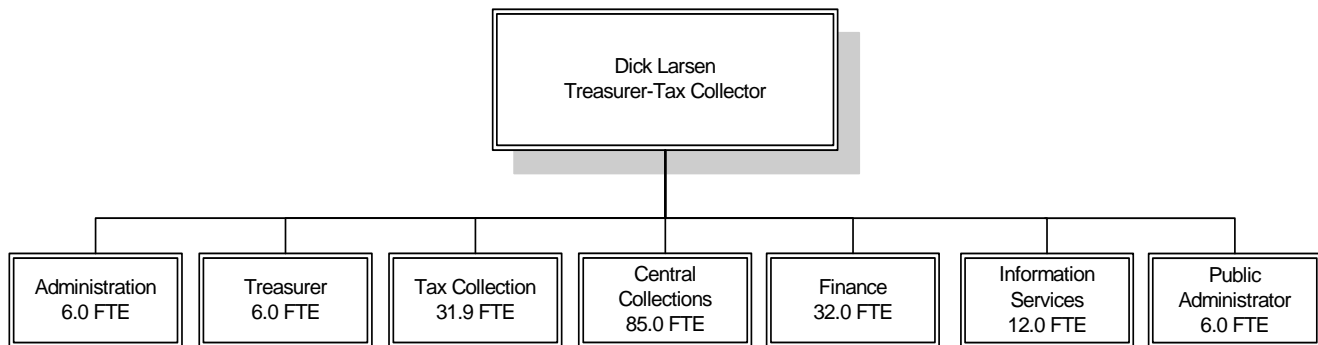
TREASURER-TAX COLLECTOR/PUBLIC ADMINISTRATOR

Dick Larsen

MISSION STATEMENT

The mission of the San Bernardino County Treasurer-Tax Collector's office is to conduct County business in a fair, courteous and professional manner that is open and accessible to citizens, the business community, and other public agencies. This office will utilize current and evolving technology to enhance services and improve the reach of those services throughout the region. We will operate efficiently to deliver the highest quality services at the lowest possible cost to the taxpayers of San Bernardino County.

ORGANIZATIONAL CHART



SUMMARY OF BUDGET UNITS

	2005-06				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
Treasurer-Tax Collector/Public Administrator	18,229,673	14,955,679	3,273,994		179.9
Redemption Maintenance	148,871	-		148,871	-
TOTAL	18,378,544	14,955,679	3,273,994	148,871	179.9

DESCRIPTION OF MAJOR SERVICES

The Treasurer-Tax Collector/Public Administrator is responsible for:

- Collecting of property taxes.
- Performing the county's Treasury function.
- Providing a collection service for the County as well as to provide accounting and collections of court ordered payments.
- Administering property of persons who are deceased and no executor or administrator has been appointed.

The tax collection function involves the collection and accounting of property taxes for all county taxing entities that amounts to almost \$1.5 billion in property taxes, county licenses and other fees.

The Treasurer is also responsible for the investment of the county investment pool, which includes county funds and all school districts within the county, as well as providing banking services for these agencies. The Treasurer currently manages assets of almost \$3.2 billion.

The Treasurer-Tax Collector's Central Collections Division expects to collect more than \$50.0 million for the year ended June 30, 2005. The majority of these collections are from court-ordered fines and the Arrowhead Regional Medical Center's delinquent accounts receivable.



BUDGET AND WORKLOAD HISTORY

	Actual 2003-04	Budget 2004-05	Estimate 2004-05	Proposed 2005-06
Appropriation	13,457,617	16,605,989	16,740,552	18,229,673
Departmental Revenue	13,104,172	14,296,283	13,805,521	14,955,679
Local Cost	353,445	2,309,706	2,935,031	3,273,994
Budgeted Staffing		168.9		179.9

Workload Indicators

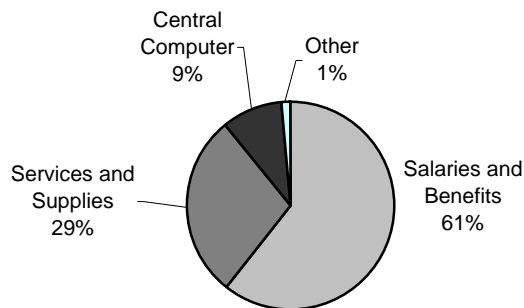
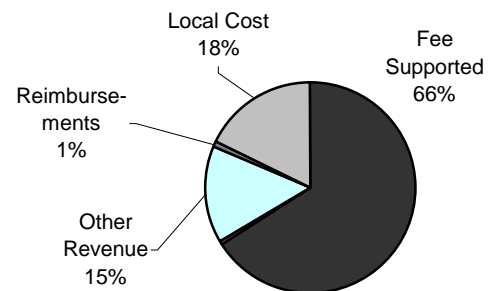
Tax Bills Sent Out:				
Annual Secured	711,264	720,000	718,925	725,000
Annual Unsecured	40,882	41,000	39,421	40,000
Supplemental	106,837	76,000	119,302	125,000
Total	858,983	837,000	877,648	889,000

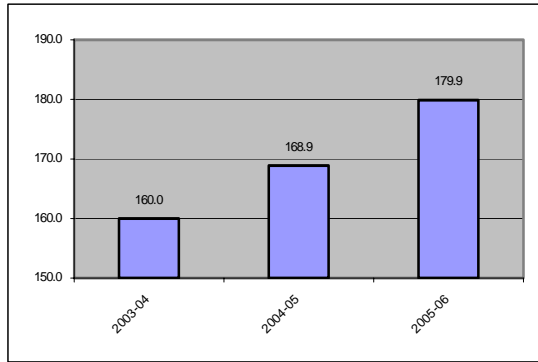
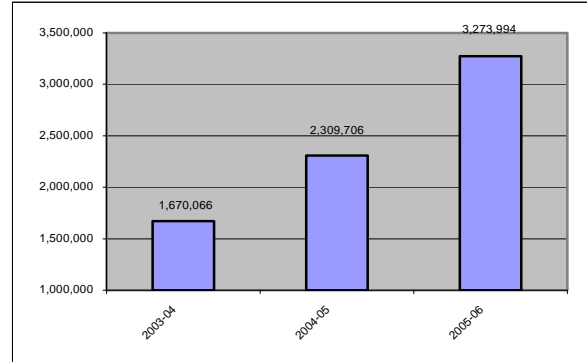
Tax Charges (in millions):				
Annual Secured	1,225	1,300	1,353	1,400
Annual Unsecured	84	78	78	78
Supplemental	76	55	99	85
Total	1,385	1,433	1,530	1,563

Phone Calls (Interactive Voice Resp)	376,900	460,000	380,000	390,000
Tax Sale Parcels Sold	4,793	4,000	3,382	2,100
Checks Deposited	2,503,000	2,578,000	2,600,000	2,650,000
Warrants Processed	2,169,000	2,161,000	2,000,000	1,400,000
Pool Assets at Dec. 31 (in thou)	2,886,516	2,900,000	3,156,266	3,250,000
Total Collections	\$40,581,564	\$35,000,000	\$50,000,000	\$45,000,000
Public Administrator Cases			300	333

Projected expenditures for fiscal year 2004-05 are \$134,563 over the original budget due the purchase of a new remittance processing system for \$574,935 and the merger with the Public Administrator of \$310,605 which were both approved through a mid-year board item. These increases are offset by saving in Salaries and Benefits of \$602,987, Lease Purchase of Equipment of \$81,000, Other Charges of \$13,000, and other miscellaneous budget adjustments of \$53,990 due to the filling of positions later in the year than planned and the purchase of equipment in lieu of leasing.

Projected revenues for fiscal year 2004-05 are under budget by \$490,762 due to lower than expected revenues related to the tax sale of defaulted secured properties. Although projected revenues are under budget, they reflect an increase of approximately \$701,349 over the prior fiscal year 2003-04 actual revenues, due to an increase in Central Collections revenues. Proposed revenues for fiscal year 2005-06 include an increase in Central Collections revenues of \$1,100,000 over the estimated revenue in 2004-05 due to increased collection activities for the Medical Center, Probation, and the Courts.

2005-06 BREAKDOWN BY EXPENDITURE AUTHORITY**2005-06 BREAKDOWN BY FINANCING SOURCE**

2005-06 STAFFING TREND CHART**2005-06 LOCAL COST TREND CHART**

GROUP: Fiscal
 DEPARTMENT: Treasurer-Tax Collector
 FUND: General

BUDGET UNIT: AAA TTC
 FUNCTION: General
 ACTIVITY: Finance

ANALYSIS OF 2005-06 BUDGET

	A	B	C	D	B+C+D E	F Department Recommended Funded Adjustments (Schedule A)	E+F G
	2004-05 Year-End Estimates	2004-05 Final Budget	Cost to Maintain Current Program Services	Board Approved Adjustments	Board Approved Base Budget		2005-06 Proposed Budget
Appropriation							
Salaries and Benefits	9,270,502	9,873,489	189,604	376,881	10,439,974	709,164	11,149,138
Services and Supplies	5,728,728	5,566,876	(256,470)	91,708	5,402,114	(152,576)	5,249,538
Central Computer	937,397	934,624	802,558	-	1,737,182	-	1,737,182
Other Charges	-	13,000	-	-	13,000	(13,000)	-
Equipment	621,887	-	-	-	-	10,000	10,000
L/P Equipment	-	81,000	-	-	81,000	(81,000)	-
Transfers	182,038	137,000	-	92,813	229,813	2,121	231,934
Total Exp Authority	16,740,552	16,605,989	735,692	561,402	17,903,083	474,709	18,377,792
Reimbursements	-	-	-	-	-	(148,119)	(148,119)
Total Appropriation	16,740,552	16,605,989	735,692	561,402	17,903,083	326,590	18,229,673
Departmental Revenue							
Taxes	336,910	302,000	-	-	302,000	35,640	337,640
Licenses and Permits	1,260	1,000	-	-	1,000	(1,000)	-
Fines and Forfeitures	43,463	50,971	-	-	50,971	(3,971)	47,000
Use Of Money and Prop	16,615	7,393	-	-	7,393	-	7,393
State, Fed or Gov't Aid	71,490	55,000	-	-	55,000	16,490	71,490
Current Services	11,073,458	11,701,683	250,470	68,336	12,020,489	46,718	12,067,207
Other Revenue	2,262,325	2,178,236	-	14,000	2,192,236	232,713	2,424,949
Total Revenue	13,805,521	14,296,283	250,470	82,336	14,629,089	326,590	14,955,679
Local Cost	2,935,031	2,309,706	485,222	479,066	3,273,994	-	3,273,994
Budgeted Staffing		168.9	-	6.0	174.9	5.0	179.9

In 2005-06 the department will incur increased costs in retirement, workers compensation, inflationary services and supplies purchases and will incur decreased costs in risk management insurance and computer printing charges. These costs are reflected in the Cost to Maintain Current Program Services column.

Upon the retirement of the Public Administrator/Coroner effective January 8, 2005, the Treasurer-Tax Collector was appointed Public Administrator. The Public Administrator function is expected to administer 300 estates and 6.0 positions were transferred to this department during the year ended June 30, 2005. The addition of the Public Administrator function is reflected in the Board Approved Adjustments column.



DEPARTMENT: Treasurer-Tax Collector
FUND: General
BUDGET UNIT: AAA TTC

SCHEDULE A

DEPARTMENT RECOMMENDED FUNDED ADJUSTMENTS

Brief Description of Program Adjustment	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
1. Salaries & Benefits Addition of 5.0 positions (1 Programmer Analyst III, 1 Accountant II, 2 Clerk II's, and net 1 Collections Officer for two positions formerly budgeted at .5 FTE) needed due to increasing workflow automation, increased focus on monitoring and improvement of internal controls, and an increase in the number of assigned accounts to Central Collections. These positions are funded through Central Collections fees and reimbursements, Treasury Pool administrative fees, and Tax Collector fees. Other increases due to step increases, paid vacation, administration leave, and on-going salary negotiations.	5.0	709,164	-	709,164
2. Services & Supplies Decrease in Other Professional Services of (\$70,000) due to the addition of the new Programmer Analyst III, which reduces the need for current outsourcing of these duties. Decrease in Presort and Packaging (\$75,700) due to the reduced number of certified mailings for defaulted secured properties. Decrease in Comnet Special Services (\$3,898) and other miscellaneous items.		(152,576)	-	(152,576)
3. Other Charges Decrease in Interest (\$13,000) that was budgeted for the lease purchase of equipment. The lease purchase is no longer necessary.		(13,000)	-	(13,000)
4. Equipment Increase in Equipment of \$10,000 for the purchase of network attached storage.		10,000	-	10,000
5. L/P Equipment Decrease of Lease Purchase of Equipment (\$81,000) that was budgeted for the lease purchase of equipment. The lease is no longer necessary.		(81,000)	-	(81,000)
6. Transfer Increase in Transfers of \$2,121 for EHAP, CEHW, and EAP.		2,121	-	2,121
13. Reimbursements Reimbursement from redemption maintenance special revenue fund for reimbursement of costs related to redemption of defaulted secured properties.		(148,119)	-	(148,119)
7. Taxes Decrease of (\$34,000) in Penalty on Current Taxes due to a decline in late payments of current secured property taxes. Increase in Interest and Penalties on Delinquent Taxes of \$69,640 due to an increase in the payment of delinquent secured property taxes.		-	35,640	(35,640)
8. Licenses & Permits Decrease of (\$1,000) in Business Licenses due to the Clerk of the Board assuming the responsibility of collecting these revenues.		-	(1,000)	1,000
9. Fines & Forfeitures Miscellaneous decrease of (\$3,971) is due to Vehicle Code Fines and Other Court Fines.		-	(3,971)	3,971
10. State, Fed or Gov't Aid Increase in State Court Services of \$16,490 due to the timing of revenue received from the state.		-	16,490	(16,490)
11. Current Services Decrease of (\$726,000) in Tax Sale Fees and Redemption Fees due to a decrease in the number of defaulted secured properties being redeemed or sold at tax sale. This is the result of a dramatic decrease in the inventory of defaulted parcels that are qualified for tax sale auction. These revenues will continue to decline in the future. Increase of \$772,718 in cost reimbursements due to increased collections activities and assignments from the Courts, Probation, and Arrowhead Regional Medical Center accounts.		-	46,718	(46,718)
12. Other Revenue Increase in administrative charges related to the increased size and management of the investment pool. Increase in NSF Check fees due to increase in assignments and tax bills.		-	232,713	(232,713)
Total	5.0	326,590	326,590	-

DEPARTMENT: Treasurer-Tax Collector
FUND: General
BUDGET UNIT: AAA TTC

SCHEDULE B

POLICY ITEM REQUESTS

Ranking	Brief Description of Policy Item	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
1	Tax Collector Satellite Offices The Treasurer-Tax Collector would like to open satellite offices in the Victorville/High Desert, Ontario, and Morongo areas to provide better customer service to our taxpayers in these areas of the county. The satellite offices will provide taxpayers with a convenient location to pay their taxes and receive information. Parcel counts for the Victorville/High Desert, Ontario, and Morongo areas are approximately 242,000, 174,000, and 61,000 respectively, as compared to approximately 758,000 total parcels in the county. Also, travel times for taxpayers to San Bernardino from these areas can range from thirty minutes to more than an hour in length. These three satellite offices will be staffed with a total 13 clerical staff that provides customer service (in person and over the phone), cashiering, research, and payment processing. One-time start-up costs are estimated to be \$118,400 and on-going annual costs (including Salaries and Benefits) are estimated to be \$695,248. Projected one-time costs include the purchase of: Three color photocopiers for \$30,000; Computers, fax machines, printers, and scanners for \$25,050; and Office furniture and phones for \$63,350. Projected on-going costs include: An increase in salaries and benefits of \$552,208 for 3 Clerk IV's, 3 Clerk III's, 4 Fiscal Clerk I's, and 3 Public Information Clerks; An increase in services and supplies for phones and internet costs of \$15,600; Office Supplies of \$54,000; Equipment Maintenance of \$3,600, and Rent of \$69,840.	13.0	813,648	-	813,648
Total		13.0	813,648	-	813,648



DEPARTMENT: Treasurer-Tax Collector
 FUND: General
 BUDGET UNIT: AAA TTC

SCHEDULE C

FEE REQUEST SUMMARY

Brief Description of Fee Request	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
<p>Unsecured Delinquency Processing Fee</p> <p>The Treasurer-Tax Collector is responsible for collecting and processing delinquent unsecured property taxes. The unsecured delinquency processing fee was introduced in fiscal year 2000-01 and has not been increased since that time. The current fee of \$45 per delinquent parcel does not fully cover the costs of collecting and processing these taxes. The proposed fee of \$60 per delinquent parcel will more sufficiently cover the costs involved in collecting these taxes in a timely manner, thereby providing more effective and efficient return of these taxes to the appropriate taxing agency.</p> <p>These costs include staff time, data processing, services and supplies. As the cost of collecting these delinquent taxes has increased, the difference between the costs and the revenues received from the unsecured delinquent fee has been funded by other revenue sources and from local cost. California Revenue and Taxation Code Section 2922(e) allows for the Tax Collector to charge delinquent unsecured properties with the actual cost of collections. Approval of this fee increase will allow the Treasurer-Tax Collector to maintain current unsecured property tax collection efforts during 2005-06 and provide for funding of these collection efforts in accordance with California Revenue and Taxation Code.</p> <p>If not approved, current efforts including increased automation and taxpayer awareness will have to be diminished or funded through local cost or other revenue sources unrelated to unsecured delinquent property taxes. By increasing the fee to match the costs incurred related to the fee, the previous revenue source used is available for other non fee-supported Tax Collector activities including taxpayer services via internet and telephone, transient occupancy tax collection and reporting, and automation of tax collection processing. Impact to the 2005-06 budget includes \$165,000 in additional revenues and \$165,000 in additional expenditures.</p>	-	165,000	165,000	-
<p>Redemption Fee-Tax Defaulted Parcels</p> <p>The purpose of the fee is to recover costs associated with the redemption of defaulted secured properties. The redemption fee was last increased in fiscal year 1994-95 from \$225 to \$325 per parcel. The Treasurer-Tax Collector charges a fee of \$325 per parcel for defaulted secured properties that have been redeemed after a notice of intent to sell has been recorded. The proposed fee of \$475 per parcel more sufficiently covers the cost associated with the redemption of these properties, which includes staff time, data processing, legal research, postage, and title search. The fee increase will be used to offset costs for legal research and title search which will increase significantly over the next fiscal year as the department's contracts for these services expire and new contracts are negotiated.</p> <p>There is no impact to the 2005-06 budget due to the timing of the revenues received from this fee. Impact to the 2006-07 budget is estimated to be an increase in revenues of \$315,000 and an increase in expenditures of \$315,000. Approval of this fee increase will allow the Treasurer-Tax Collector to continue to return defaulted secured properties back to the tax rolls in an efficient and timely manner during 2006-07 and beyond.</p> <p>If not approved, current efforts to return defaulted secured properties to the tax roll will have to be diminished or funded through additional local cost.</p>	-	-	-	-
Total	-	165,000	165,000	-

